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ADDRESS BY TANAISTE TO ACUMEN FORUM
SHELBOURNE HOTEL, DUBLIN, 6 JULY 1994

I was very pleased to be invited here today to address this open forum on developments in cross-border trade.

ACUMEN deserve full credit for having organised the forum and for their work in developing trade between both parts of Ireland. May I also take this opportunity to acknowledge the substantial contribution made to the Programme by the International Fund for Ireland, represented here today by its Chairman Mr Willie McCarter, and by the EU through the INTERREG Programme.

The Irish Government are strongly committed to the expansion of trade, business co-operation and all other forms of economic interaction between the two parts of Ireland.

Some have chosen to interpret the Irish Government's approach to North/South co-operation, and to the problems of Northern Ireland, as involving a devious approach on our part towards the question of Joint Authority over Northern Ireland. It is worth making the point, clearly and unequivocally, that Joint Authority is not on the Irish Government's agenda.

To be even more direct about it, we are not seeking, in the negotiations that we are undertaking with the British Government at present, a greater role for the Irish Government in the governance of Northern Ireland. Those who keep saying that Joint Authority is our hidden agenda are either seriously mistaken or deeply mischievous.

What we are seeking is first, political arrangements for the government of Northern Ireland which would command the support of the great majority of both traditions in the divided community of Northern Ireland. Side by side with that, we want the closest possible links between a Northern Ireland administration and the Irish Government, in the interests of the people on the island as a whole. We want to see those links expressed in strong, meaningful, and dynamic structures that would bring both parts of Ireland closer together: that would facilitate the work of reconciliation between the traditions; and that would advance the pace of economic, social, cultural, and other developments, in order to confer benefit on the whole island. That has nothing to do with Joint Authority over Northern Ireland.

● However deep the political divisions among the people of Ireland, North and South, there are very few who will contest the view that Ireland makes sense as a single economic area. Nobody has ever tried to suggest that there is some economic logic to explain the existence of a border in Ireland. Rather, people of all traditions in Ireland recognise that action across that border to develop the unrealised potential of both economies can only be beneficial. We live on a small island of relatively limited resources which history, rather than economics or geography, has divided. There are extensive structural similarities between the two economies, North and South. In consequence, we have a wide range of common interests and structures. We share many problems, of course, but we are also faced, particularly in the context of the European Union, with a range of opportunities and challenges which invite a joint response. We are each implementing, in some cases jointly, the various policies and programmes agreed within the European Union with a view to achieving greater economic convergence between the member States.

Both our economies share a peripheral status within the European Union. We are now the only significant part of that Union which does not have a land bridge to the centre of an immense market of 340 million people, with a combined purchasing power of IR£3,400 billion, and which, since the beginning of 1993, has been without barriers or restrictions to trade.

The creation of the Single Market has meant that, in an economic sense, the border between North and South is no longer of no relevance. Trade is no longer restrained by the regulations which used to be in place. Both parts of Ireland now have enormous scope to co-operate and to make the maximum joint use of the opportunities which the Single Market provides. There are clear incentives for business interests North and South to pool their resources in appropriate sectors, for example, by forming joint ventures, in the search for commercial opportunities in the wider European context.

At home, there is considerable potential for tackling unemployment in both parts of the island by enhanced cross-border co-operation. It is an overriding objective of the Irish Government to take advantage of all opportunities to create new employment for our people. The expansion of trade and economic co-operation between North and South has an essential contribution to make in this respect, and I intend to do everything I can to step up the pace of that co-operation. There is no doubt that greater harmonisation of the economic effort in both parts of Ireland will help to eliminate wasteful duplication and to ensure that the most effective use possible is made of our resources for the common good.

It is perhaps true to say that neither side, North or South, has as yet appreciated the full significance of the export market which exists on its own doorstep. At present, manufacturers in the South sell only one third as much per capita in Northern Ireland as they do in their home market. Their Northern Ireland counterparts, in turn, sell only one sixth as much per capita in the South as they do in Northern Ireland.

By contrast, Denmark (with a similar population) achieves sales per capita on its home market which are twice as high as those achieved by the combined efforts of our economies North and South.

It is no exaggeration to say that the failure to unlock the full potential for co-operation between the two economies on this island is of a tragic waste of opportunity on both sides.

The resources available to the Irish people, North and South, have never been utilised to their full strength and capacity. Trade and business co-operation have been inhibited by decades of mutual indifference and suspicion and by a deep-seated unwillingness to look at the market most immediately available on the other side of the border. Co-operation on infrastructural development to address the multiplicity of shared problems has been all too limited.

The result is a degree of under-performance by both economies over many years and a failure to realise the goal of full economic and social prosperity in both parts of Ireland.

The welfare of one part of the island is ultimately indivisible from that of the other. A gathering such as today's Forum illustrates this point persuasively. The future economic prosperity of this island will, in my view, depend crucially on the degree to which we can construct together an "all-island economy". The challenge for the present generation must be to harness our two economies to a single purpose: the welfare of everyone living on this island.

A central objective for the Irish Government, and a personal priority for myself as Tánaiste and Minister for Foreign Affairs, is to do everything possible to improve the material well-being of all the people of Ireland, North and South. We are committed in our Programme for Government to a comprehensive set of political and economic policies designed to further that aim.

I see it as the task of the present generation in Irish politics to resolve the tensions of the past and to construct a framework for lasting peace and stability in Ireland. The future will be built not on confrontation but on a secure foundation of dialogue and co-operation.

One of the key areas for co-operation between us is the pursuit of greater integration of our economic efforts and resources in order to enhance the standard of living for people in both parts of the island.

This is an area which calls for bold and imaginative thinking, both at the Governmental level and in the private sector, and a willingness on the part of all of us to cross new thresholds. We must lift our sights to the almost endless possibilities which exist for pooling our efforts in the common interest.

The systematic development of co-operation between North and South is an area of endeavour which transcends political differences but which at the same time has a distinctive contribution to make to the promotion of mutual confidence and goodwill and to the elimination of tensions between our various traditions. A lasting economic partnership between North and South is of vital importance to the achievement of lasting peace and reconciliation among the people of Ireland.

The benefits of such a partnership are real and substantial. For example, cross-border trade currently amounts to around £1.3 billion per annum. It is realistic to see this figure more than double in the medium term to £3 billion per annum. Economic predictions for the South are very promising. Over the next ten years economic growth could average 5% per annum. It is expected that living standards will rise from 72% of the EU average in 1990 to 83% by the year 2000, creating major opportunities for business to supply the resulting consumer demand.

It is apparent, therefore, that there is vast scope for productive co-operation between North and South. The Irish Government are ready to explore this to the full over the coming years and to develop co-ordinated approaches and joint initiatives across the widest possible range of sectors.

At the intergovernmental level, we have been making the fullest possible use of machinery put in place by the Anglo-Irish Agreement of 1985 to expand North-South co-operation in different sectors.

The Anglo-Irish Intergovernmental Conference, of which I am Joint Chairman, has been discussing in detail the possibilities which exist for co-operation. We are exploring on a sector by sector basis ways in which we can co-ordinate and rationalise our activities for the benefit of both parts of the island. Among the subjects which we have discussed over the past year have been fisheries, enterprise and employment and science and technology. We intend at future meetings of the Conference to consider the prospects for co-operation in relation to transport, health, energy, trade and tourism, and other areas.

We have made a number of important decisions in the Conference on infrastructural improvements which are designed to assist trade and business co-operation. One example of this is the decision to modernise the rail link between Dublin and Belfast, an undertaking which will be completed in mid-1996.

A major project which was recently completed is the restoration of the Shannon-Erne Waterway, which flows through three counties located on both sides of the border and which the Secretary of State for Northern Ireland and I jointly opened in May. This project, which cost IR£30 million, links the Shannon and the Erne, the two main waterway systems in Ireland, and thereby creates one of the largest waterway systems in the whole of Europe. We expect this unique amenity to have a significant impact on the economy of the border region, especially through tourism.

The two Governments have also been co-ordinating closely to ensure that a strong and effective European regional policy is maintained. In preparing our respective Development Plans for the current round of Structural Funds, we have incorporated a joint chapter which highlights the scope for cross-border economic co-operation.

We have already jointly implemented the first INTERREG Programme for Ireland and Northern Ireland which endeavours to assist border areas to overcome development problems associated with their peripherality. The activities supported by INTERREG, one of which, of course, is the Acumen Programme, are a very practical example of what can be achieved through regional partnership, and I look forward to the successor Programme which the two Governments are currently developing with the European Commission.

There is an increased awareness on the part of the trade development boards in both parts of Ireland (the Industrial Development Board in the North and An Bord Trachtála in the South) that the market positions of Irish entrepreneurs must be constantly strengthened in the face of external competition. There is therefore regular co-operation between both on trade promotion abroad and other activities. The two boards have, for example, carried out joint promotions in the US and in Britain to encourage retailers to stock products from manufacturers North and South. These joint promotions have proved highly successful.

Private sector organisations have also been very active in promoting co-operation. I have had the pleasure of hearing at first hand from representatives of IBEC and CBI/Northern Ireland about the encouraging work of the Joint Council which the two organisations established some time ago.

Let me refer briefly at this stage to a number of specific areas in which I see partnership between the two Governments and the private sector yielding lasting benefits for both parts of the island.

First, the environment. We pride ourselves on the unspoilt nature of our island and on the positive environmental image which we enjoy abroad. Our environment represents not just an asset to be preserved in the interests of maintaining and improving our quality of life. It is also a natural resource which we can use to achieve economic and industrial growth. The Irish and British Governments are conscious that we must act jointly to protect this resource. We must do so in conjunction with the private sector, with each acting to ensure that the environment is not damaged and that infrastructural development is sensitively carried out. A comprehensive partnership in this area will yield significant spin-off benefits in relation to tourism development, the maintenance of high quality agricultural products and the attraction of high technology requiring a clean environment.

The spin-off industries associated with the developing interest in environmental quality and protection could also be of great importance in the Irish context over the coming years.

A further area which could provide particular scope for co-operation is forestry, especially in the border areas. This is an industry which provides an environmentally clean source of income in areas where there are very few such opportunities and which has considerable potential for expansion.

A third area is that of telecommunications co-operation. I see significant scope for continued improvement and modernisation of the telecommunication networks which will, of course, help business North and South to exploit the growing opportunities in related areas such as home-based working and telemarketing.

A fourth area is sub-contracting. The Government already assists small and medium-sized enterprises to avail of opportunities to meet the supply needs of other firms located domestically. This programme might be extended on an all-island basis, so that the development possibilities of supplying the multinationals based in both North and South could be exploited on an island-wide basis.

A fifth area is that of research and development. Collaboration in the all-important field of research and technology is making possible projects that neither part of Ireland could sustain on its own. The pooling of resources between third-level institutions and research facilities North and South ensures that both parts of Ireland become increasingly competitive in this critical field.

Another area is the pooling of market research on overseas markets. There is general agreement that high-quality, targeted market information and research is one of the most effective ways to open up and develop markets and that North-South co-operation in this area would be very rewarding.

In the same general context, a generic branding programme for particular sectors would be of great benefit to individual small and medium-sized manufacturers when they are preparing to enter markets.

One of the most significant results of the establishment of the Single Market and the GATT agreement has been the opening up of public procurement markets, in Ireland as elsewhere. I am anxious to see North-South co-operation in this area deepening and the procedures becoming more transparent, so that firms from both parts of Ireland can reap the benefits of more open public purchasing.

What I have described are but a handful of the areas in which we can work together in a real and tangible way to advance the common good.

There are many more in which valuable cooperation is already underway and is yielding important results.

The scope for expansion of our common agenda is, in fact, limitless.

But the full measure of what we can achieve together will be denied to us for as long as violence stalks the land. The continuation of this debilitating drain on both of our economies imposes a huge burden in terms of both direct and indirect costs. It also deepens the divisions between Irish people and reinforces the barricades which people like you and I are trying to dismantle.

Peace would transform all of that. The establishment of lasting peace would remove this final impediment to cooperation between North and South and enable us at last to realize our full potential as a people.

Peace would revolutionize the prospects for both economies and extend dramatically the scope for integration and cooperation between them.

We could exploit our natural economic advantages, both North and South, making maximum use of strengths such as our unspoilt environment, our skilled workforces and our high quality products. We could realize, for the first time ever, the full potential of our island in terms of tourism revenue, foreign investment and trade. There is no question but that peace would significantly increase the attractions of both parts of Ireland for foreign investors and tourists and would also stimulate trade and exports, bringing in all cases additional employment.

Furthermore, the enormous security expenditure which we must each bear at present could be allocated to productive purposes. Action could be taken to stimulate economic and social regeneration on either side of the border in areas affected by the violence and unrest. A vast array of cooperative projects across the border could be facilitated. Through the active pursuit of joint policies and approaches, we could maximise the benefits available to our two economies from our joint membership of the European Union.

This is the vista which would be opened up by a permanent ending of violence on all sides. Peace would turn the key to a future of genuine partnership and cooperation among all sections of the Irish people. Can anyone doubt that that is what the overwhelming majority of the Irish people, North and South, want - and to which they have the most profound

entitlement? That is the future which we demand, both for ourselves and for our children.

Jonathan Swift remarked that the real patriot is a person who can make two ears of corn grow where one has grown previously. I would like those who currently support violence to reflect on the contribution which they can make, as real patriots, by abandoning violence forever and allowing a new Ireland to emerge in which all of our resources, North and South, can be used to maximum advantage and profit for all of our people.

Many different factors have their contribution to make to the ending of this conflict, which has been so costly in human and material terms and so futile in a situation where our common interests greatly outweigh our differences.

The most obvious and pressing requirement, of course, is that those who engage in violence on both sides should cease to inflict this intolerable burden on their fellow citizens. The Joint Declaration has removed the last vestige of justification for violence and has provided a political alternative which is honourable for all. While negotiations against a background of peace would immeasurably enhance the prospects of a successful outcome, both Governments have made clear that no group has a veto on progress. We will continue our efforts, building on the Joint Declaration, to find a way to replace suspicion and confrontation with new structures of cooperation. We are currently working out between us an outline framework which we believe would best secure this objective.

It is important to recognize, however, that these efforts on the part of the two Governments are not taking place in a vacuum. Rather, our prospects of ultimate success are affected significantly by the extent to which activities such as your own demonstrate the tangible benefits to be had from cooperation. While the work of the business community North and South takes place independently of politics, it is making, as I indicated earlier, an important contribution to the development of goodwill and reconciliation among Irish people of all traditions. It undermines the appeal of violent extremism on both sides and it highlights the very real gains to be made through political accommodation and consensus.

We in Government recognize this profoundly valuable dimension to your work, which complements our own efforts to achieve lasting peace and stability, and we look forward to a strengthening of this contribution over the years ahead.